



**McGregor W. Scott**  
United States Attorney  
Eastern District of California

*Sacramento*  
501 I. Street, Ste 10-100  
Sacramento CA 95814  
(916) 554-2700

**NEWS RELEASE**

*Fresno*  
1130 O. Street, Rm 3654  
Fresno, CA 93721  
(559) 498-7272

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Contact: Patty Pontello  
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**Two Sentenced in Multi-Million Dollar Fraud Scheme**

Sacramento--United States Attorney McGregor W. Scott announced today that DARRA N. PANTHAKY, 68, of Los Angeles, CA; and WESLEY F. SINE, 68, of Salt Lake City, UT were sentenced today by United States District Judge Frank C. Damrell, Jr. to 51 months and 70 months in custody, respectively. The defendants were also ordered to pay nearly \$2 million in restitution. The defendants were found guilty of mail fraud by a jury on February 4, 2005.

This case is the product of an extensive investigation by the Federal Bureau of Investigation.

According to Assistant United States Attorney John K. Vincent, who prosecuted the case, Judge Frank C. Damrell, Jr., in sentencing the defendants, said that they deserved the sentences because of their serious fraudulent conduct. He sentenced Sine to a longer period of time in custody because Sine had misused his position and skills as a lawyer and lied when he testified at trial.

Evidence at trial established that Panthaky and Sine defrauded investors by obtaining loans with the promise to pay very high rates of return and the assurance that the loans were guaranteed by a Ginnie-Mae mortgage-backed security. Panthaky represented to investors that

he was a wealthy financier and humanitarian who served as the president of Alpha Funding Group, Inc., and the trustor of Alpha Funding Group Trust. Defendant Sine, an attorney, prepared documents used in the fraud and served as the trustee of the Alpha Funding Group Trust. As part of the scheme, Panthaky and Sine assured investors that if for some reason Panthaky could not repay the loan, Sine as trustee would liquidate the Ginnie Mae securities and pay them back. According to evidence at trial, investors lost over \$8 million, and no Ginnie Mae securities were ever liquidated.

Panthaky was already in custody at the time of the sentencing. Sine was remanded into custody at the conclusion of the sentencing hearing.

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